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Money It's all in the Money Magazine TODAY

PM: I, not Levy, will lead peace process DAVID MAKOVSKY

PRIME Minister Binyamin Netanyahu asserted his primacy over the peace process - and an angry Foreign Minister David Levy - last night, saying he was given a mandate through direct elections to lead the process. In an interview with Channel 2 last night, Netanyahu said he would continue to direct the negotiations. "Israel has only one prime minister," he said. The premier also defended the exclusion of security officers from consultations on peace process issues. Netanyahu said the various security branches must offer their own intelligence assessments, but they should not have a policy role, as they did during the Labor government. "I told them I don't want them in the peace process," he said. At the same time, however, Netanyahu sharply criticized Foreign Affairs and Defense Committee chairman MK Uzi Landau who accused the army officers involved in peace negotiations of being "puppets" of Labor. There were unconfirmed reports last night that for the third time in two months, Levy was considering resigning. Levy held phone conversations yesterday with his political ally, National Infrastructure Minister Ariel Sharon. Channel 1 reported last night that Levy was holed up in his Beit She'an home and was refusing to attend a cabinet meeting today. The immediate issue is whether Levy will head a steering committee on negotiating with the Palestinians. Netanyahu's remarks left little doubt that the head of this committee would be someone he trusted, but he denied reports he had decided to give the position to Cabinet Secretary Danny Navet. Netanyahu's remarks came after Foreign Ministry officials, and reportedly Levy himself, complained that the Prime Minister's Office was keeping them out of the peace process. Levy canceled a weekly lunch scheduled yesterday with the premier. In separate interviews on Channels 1 and 2 last night, Netanyahu offered Levy a "partnership," but made clear that he, as premier, would lead. Officials in the Prime Minister's Office insisted the premier has sought to keep Levy abreast of developments by a variety of means, namely lunches, regular phone calls, and inviting Levy to consultations with Defense Minister Yitzhak Mordechai and other ministers. These officials insist that despite Levy's complaints, he has been privy to all major developments, including the "Lebanon first" initiative and Netanyahu's secret trip to London almost two weeks ago to meet with Jordan's King Hussein. Apart from the steering committee dealing with Palestinians, the Foreign Ministry has other complaints. Apart from the resident ambassador, no Foreign Ministry representative accompanied the premier to Egypt or Jordan. But this often occurred during the Labor government, as well. Foreign Ministry officials also fear that there is an intention to set up a "mini-Foreign Ministry" (Continued on Page 8)

Syria rejects 'Lebanon first' talks News agencies

SYRIA yesterday rejected Prime Minister Binyamin Netanyahu's offer to resume peace talks on a "Lebanon first" basis, saying his proposal was only sweet-talk that has nothing to do with peacemaking. The official daily Tishreen said Netanyahu wanted the negotiations to mainly discuss Israel's security problem in south Lebanon, but not the withdrawal from the Golan Heights. "This talk does not mean anything for the making of peace," Tishreen said. "It is mere nice words which are baseless. The issue is not the resumption of the negotiations but the essence of what the negotiations would deal with. "What kind of negotiations does Netanyahu want to resume while he still rejects withdrawal from the Golan and couples this rejection with the expansion of settlements and bringing more Jews to settle in the occupied Syrian lands?" it added. Syrian Foreign Minister Farouk Shara told the cabinet's weekly session later yesterday that Netanyahu's government was still refusing to continue the peace process on the basis of the land-for-peace principle and UN resolutions. "If Israel is serious about reviving the peace process, it is required to affirm its commitments and respect its pledges without any disguise," one official quoted Shara as saying. He did not specify which pledges Shara was referring to. Tishreen reiterated that Damascus was still committed to the peace process but urged Netanyahu to declare his readiness to pull back from "occupied Arab land." (Continued on Page 8)

Soldier killed in Lebanon Netanyahu: We won't let IDF be used as punching bag

ARIEH O'SULLIVAN and DAVID MAKOVSKY

HIZBULLAH gunmen repeatedly shelled an IDF outpost in south Lebanon yesterday, killing an army medic as he raced to help two wounded soldiers. The dead soldier was identified as Staff-Sgt. Tehauhu Aslan, 20, from the Circassian village of Kfar Kama in the Galilee. He is to be buried in his village this morning at 10:00 in a traditional Circassian funeral. The local council head has asked the IDF to allow all of the Circassian soldiers to attend the funeral. Aslan is survived by his father, two brothers and a sister. He enlisted in the IDF's minority unit, in which both of his older brothers had served, and went on to complete a medic's course. Aslan is the 17th IDF soldier to be killed in Lebanon this year. Sixty-nine soldiers have been wounded. "If Hizbullah fights us" we will fight Hizbullah," Prime Minister Binyamin Netanyahu said. "If anybody is deluding himself into thinking that Israel or the IDF will be a punching bag for terrorists, he is mistaken." Netanyahu did not specify what Israel's response would be, but said that it will be made manifest, he said. Netanyahu expressed concern that if steps toward peace are not taken in south Lebanon there would be an "escalation," which he said would be bad for both Syria and Israel. In an interview on Channel 1 last night, Netanyahu reiterated Israel's willingness to leave Lebanon if the violence stops, saying this would be in both Israel's and Syria's interests. OC Northern Command Maj-Gen. Amiram Levine said Iranian advisers are aiding Hizbullah in Lebanon. He also blamed Syria for allowing Hizbullah to rearm. "[Hizbullah] is making efforts to get more efficient and sophisticated weapons," Levine said. "I know Hizbullah is stocking the villages along the front with Katyushas, weapons and ammunition, with the Syrians' knowledge, so that if we attack them they won't need to resupply during battle," Levine said. "Solutions are complicated. This is a war. Hizbullah has been under pressure for the past few weeks. They waged a lot of attempted attacks. In more than five clashes they suffered more than 10 killed," Levine said. He said Hizbullah left its dead and wounded in the field and fled. "It is returning to its tactic of shooting from afar and we will have to deal with this," Levine said. Levine told reporters the incident actually began on Monday when Hizbullah started shelling an IDF position near Bint Jibel with 120mm mortars fired from near the village of near Braachit, east of Kiryat Shmona. Two soldiers were wounded then, one seriously, and Aslan was involved in their rescue. "This morning the barrage started again and we had two soldiers who were slightly wounded but who continued to function in their tank despite their wounds. The medic who tried to reach the force had taken cover in a bunker, but was killed outright when [the bunker] received a direct hit," Levine said. Sgt. Avinoam Talmon, one of the wounded, told journalists from his hospital bed that he continued fighting despite his wounds. "I didn't know I was hit until I started feeling pains. The first thing I did was try to give them back what they were giving us," he said. The IDF and SLA artillery responded with a heavy barrage on suspected Hizbullah hideouts north of the zone. There were no reports of casualties from the retaliatory shelling. Hizbullah gunmen also set off a roadside bomb near an IDF patrol as it passed near the fortified position, SLA sources told Reuter.



Soldiers in the security zone fire at Hizbullah targets yesterday in response to shelling which killed an army medic. (Yaron Kaminsky/Ha'aretz)

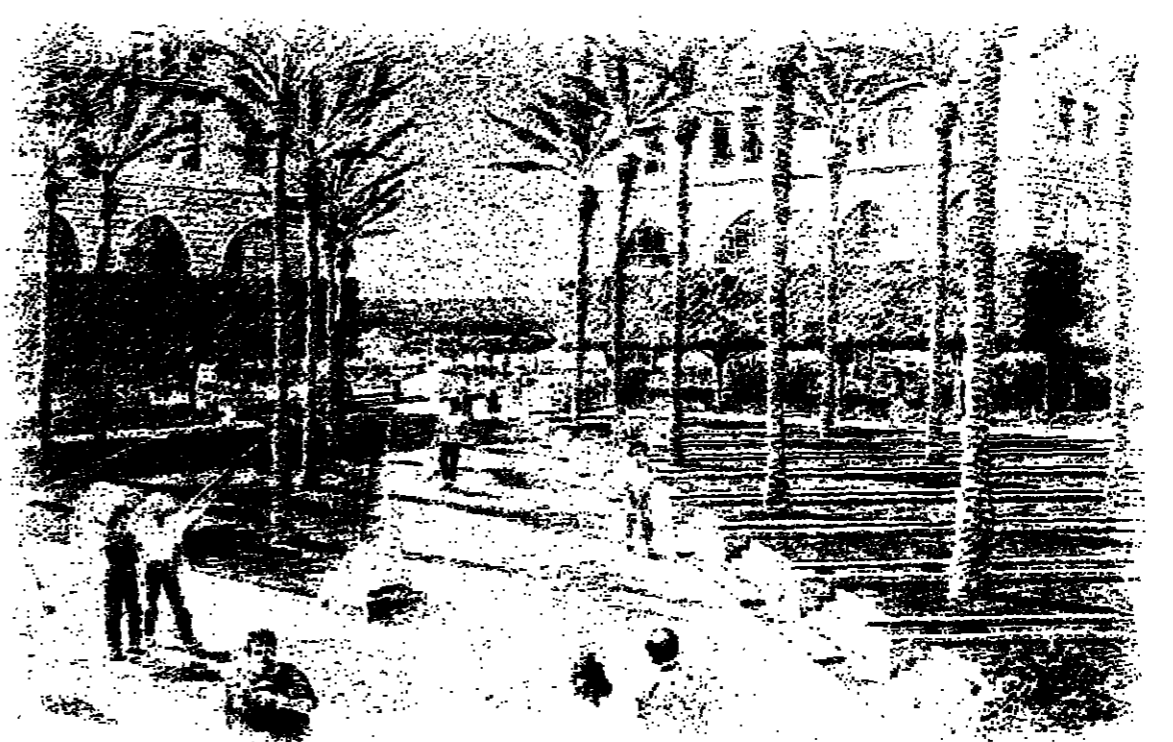
Levy barely functioning as foreign minister

BACKGROUND DAVID MAKOVSKY

DAVID Levy is barely functioning in his position as foreign minister, a variety of sources say. He is avoiding diplomatic meetings and instead generally cloisters himself with a party crony during the few hours a day that he decides to visit his office. It remains unclear if Levy is acting this way because he feels he is being circumvented with regard to the peace process, or whether the problem is larger. While Levy can contend that he is being ignored on this major issue and therefore has little to do, the foreign minister is supposed to be involved in other matters as well. After all, Israel has ties with some 160 countries and maintains links with a variety of international organizations and multilateral forums. After being in the job for almost two months, Levy has yet to appoint a permanent director-general or a personal staff, including a diplomatic adviser. Levy has not yet resolved the clash between Eitan Bentsur, an experienced professional diplomat who has been named acting director-general, and his own political aide, Ya'acov Bardugo, who covets the title. With a virtual empty daily schedule, sources say Levy often spends the (Continued on Page 8)

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TO OUR READERS Please note that the number 5 has been added to all the phone and fax numbers of the main office of The Jerusalem Post (all starting with the number 3). For example, the phone number of the switchboard - 315666 - is now 531-5666 Other changes: the phone number of the J.P. Funds is now 623-3986; of the Book Department and Post Mart, 624-1282, and their fax number is 624-1212.



PA planning to take over eastern Jerusalem school

THE Palestinian Authority moved this week to take over a well-known Arab school in eastern Jerusalem long run by the Jordanian government, in apparent defiance of the government's attempt to enforce a ban on PA activity in the city.

BILL HUTMAN

The Dar El-Eitam School, with campuses in the Old City and Azariya, was previously part of the Moslem Wakf school system that received financing from Amman. School director Razi Jabari said he was informed earlier this week by PA officials of their decision to take over the school, and was waiting for instructions from Amman on how to act. PA sources said Jordan was not informed in advance of the move, and that this was expected to provoke a harsh response. Jabari said he understood that only the cam-

pus in Azariya, which is in a PA-controlled area just outside the city limits, was to come under the PA's authority. However, the PA sources said that both campuses were being brought under the auspices of the PA. "This is part of the [peace] agreement, that we take over the schools in our areas," including eastern Jerusalem, said a PA official involved in the issue, who asked not to be named. "Why should the Israelis care whether the Jordanians or us run the school?" he asked. The Dar El-Eitam School - whose name in Arabic means "the orphanage," although it stopped only serving orphans long ago - is not the first in eastern Jerusalem to come under PA control. The previous government allowed the PA to oversee private schools in eastern Jerusalem, and the new government has yet to take a stand on the issue. But Likud members, most notably Jerusalem Mayor Ehud Olmert, have spoken out strongly against the PA's running schools in the city. If the government does not block the takeover, it would mean that when the school opens next month, the PA Education and Religious Affairs Ministry supervisors will oversee the curriculum, and the PA, instead of Jordan, will pay the staff's salaries. The Arab school system in eastern Jerusalem is divided into public schools, run by the Israeli authorities; private schools largely run by various Christian groups; and the Wakf schools, until now all overseen by the Jordanian ministries of the Wakf and Education.

Khader optimistic compromise will be reached over PA office flap

A SENIOR Internal Security Ministry official met secretly with Palestinian Authority Council member Hatem Abdel Khader yesterday in an effort to work out a compromise over the councilor's Jerusalem office, which the government wants closed.

BILL HUTMAN

worked out whereby Khader would continue operating the office in Beit Hanina if he submitted written assurances that he was not representing the PA. However, no other confirmation was available about the report. The proposed compromise would meet the government's demand there not be any PA activity in Jerusalem. Khader met Amit Glusgo, a senior adviser to Internal Security Minister Avidgor Kahalani, at the Hyan Hotel in Jerusalem. A ministry spokesman confirmed the meeting took place, but declined to give any details. On Monday, Khader received an order from Kahalani to close the office because it violates the Oslo accords. Khader said he was optimistic a compromise could be reached.

Ministry sources, however, were more pessimistic, saying little new came out of the meeting. In the past, Khader has openly denied the office he runs in his living room is connected with the PA. He says he receives Palestinian residents at his home in order to help them solve disputes with Israeli and Palestinian authorities. He and Glusgo may meet again soon, perhaps even today, in an effort to work out a deal. Police sources said the patrol that was stationed outside Khader's home had discovered that no one was coming there on official PA business. Khader's lawyer, Mazen Qudy, said his client received several Jerusalem residents in the morning before leaving for the council meeting in Ramallah.

"Hatem will continue to receive the public in his home, as he did in the past," he added. The attorney said Khader rejected his advice to take the government to the High Court over the issue. Instead, Khader chose to wait and see how police reacted to his continuing to receive residents, Qudy said. The order was based on Israeli law and peace accord stipulations limiting PA activity in Jerusalem, but it has been brought into question by many legal experts, who say it cannot be applied to Khader's makeshift, living room office. "Until it becomes clear that Abdel Khader's home isn't being used simply for private meetings, we cannot say for sure whether it is an official PA office [which the government has the right to close]," Peace Watch researcher Ziv Hellman said.



Tracy Brown plants a tree in memory of her father, US commerce secretary Ron Brown, yesterday, as Prime Minister Binyamin Netanyahu, her brother Michael (center), and Jewish National Fund President Moshe Rivlin look on. The Israel-American Chamber of Commerce dedicated a grove of 4,000 trees in the Judean Hills to Brown, who died in a plane crash in Croatia in April. (Reuters)

SOCIAL & PERSONAL

THE WEEKLY MEETING of the English-speaking Jerusalem Rotary Club will take place today at 1:00 p.m. at the YMCA, King David Street. Gloria Menzies will speak on health.

PA council: Suspend talks if settlements expand

JON IMMANUEL

THE Palestinian legislative council recommended yesterday that the executive council headed by Yasser Arafat "study the possibility of suspending negotiations" with Israel if the government goes ahead with plans to expand settlements or takes other steps seen as obstructing the peace process. Speaker Ahmed Qreia said at the special meeting, held in the Education Ministry building in Ramallah, that the key word was "study" and that there was no plan to halt negotiations yet. "At this moment we don't want to stop but in future we may ask that they stop," he said. Arafat himself described the decision to expand settlements as "a flagrant violation" of the Oslo accords and called on Israel to renew final-status talks. Dr. Azmi Shuabi, a former sports and youth minister, said that "we want to say that by his actions [Prime Minister Binyamin] Netanyahu has practically

stopped the peace process. His policy is clear now. He regards the settlements as being on the same level as Palestinian towns. He said that it was not fair that while Palestinians could build in their towns, settlers could not build in their settlements. He forgets that settlers can build in Israel and Palestinians cannot." Palestinians were also concerned by Netanyahu saying he planned to study "in a few weeks," the IDF redeployment in Hebron, thus implying that the actual redeployment would take substantially longer and may involve changes to the agreement reached with the previous government. Arafat persuaded the council to postpone to the afternoon a debate on human rights prompted by Mohammed Jumayal's death by torture last week in a Nablus jail and the Tulkarm riot by Hamas supporters the following day.

Both the council and a committee appointed by Arafat are planning investigations, the first time that two Palestinian investigations into the same event have been ordered. Local Government Minister Saeb Erekat described the death of Jumayal as a mistake, but not a symptom of general human rights abuse. "I don't think one issues orders for such violations," Erekat said. "Personally I could not face my wife and daughters over what happened in Nablus. It is not really systematic. We are merely two years old. This mistake happened. We want to ensure this mistake will not be repeated." He recommended training programs in human rights for the police, sponsored by western countries. Erekat, from Jericho, denied claims by human rights groups that seven men have

been tortured to death in Gaza and Jericho jails since the PA took control there in May 1994. He said the correct number was three, as the other four died from "natural causes." While the responsibility of the Palestinian Police for Jumayal's killing has been acknowledged - three officers were quickly tried, convicted, and imprisoned - there has been no study of who gave orders to interrogate Jumayal and for what reason. The death of Ibrahim Hudeideh, who was shot during the riot in Tulkarm on Friday, has generated talk of a conspiracy involving Israel to undermine the PA. Tayeb Abdel-Raheem, secretary-general of the PA, who represents Tulkarm in the legislative council and is close to Arafat, said: "We have arrested three people who have connections with the Israelis and their purpose was to make trouble in Tulkarm, so that the Israelis could say the PA cannot handle security, and therefore give the army an excuse to enter Tulkarm."

Landau stands by accusation of IDF politization

LIAT COLLINS

MK UZI Landau (Likud), chairman of the Knesset Foreign Affairs and Defense Committee, said yesterday he had not accused the whole IDF of politization, but only some officers and former officers. The supreme example, he said, is former chief of staff Ehud Barak, who became the Labor government's foreign minister shortly after retiring from the IDF. "I can't take back what I said," Landau said. "I didn't make the statement about all the officers, but about the group which is intervening in political affairs at unprecedented levels. There must be a complete differentiation between politics and the military. I'm sure the Likud government realizes this. And if there are any doubts, the Knesset Foreign Affairs and Defense Committee will ensure that the IDF is not involved in politics." He suggested lengthening the cooling-off period IDF officers must complete before becoming politically active. Landau refused to mention specific names other than Barak, but other right-wing MKs criticized the Chief of General Staff Lt.-Gen. Amnon Lipkin-Shahak, OC Central Command Maj.-Gen. Uzi Dayan and former OC Central Command Itan Biran for participating in talks with the Palestinians.

Landau said it is important to hear the opinions of IDF commanders, but only as one voice among many and without any political overtones. Landau originally made the statements about the politization during a Likud Party meeting Monday night. He accused some IDF senior officers of being yes-men for the previous government and acting like gamblers who risked disproportionate sums of money to try and regain their original losses. Three Labor MKs - former committee chairman Haggai Merom, Haim Ramon and Dalia Itzik - and Meretz MK Ran Cohen called for Landau's resignation from the committee chair. Former prime minister Shimon Peres called Landau's statements "baseless, unfounded and scandalous." Peres said the military is bound to the government and has to give its professional military opinion, but does not have to take responsibility for the results. Barak said he had not taken the criticism personally and said the government was trying to roll the blame onto the army to cover for its own lack of decisiveness. Defense Minister Yitzhak Mordechai (Likud), a recently retired major-general, issued a response rejecting Landau's criti-

cism and said the cabinet would determine how to carry out the agreements signed by the previous government. He called on MKs and ministers to avoid involving the IDF command in political disputes and stressed that the professional opinion of the military must be heard, though it is the government which makes the decisions. He expressed confidence in the IDF and its commanders. Meretz leader Yossi Sarid said the relationship between the political and military echelons had never been so bad. "The lack of confidence and suspicion which exists between the government and the IDF command weakens the army and endangers the state," Sarid said. MK Moshe Felet (Tsmet) supported Landau. "In the past three years, the military's involvement in political matters has been far too great. Those who used the army as a flak jacket can't be surprised that it takes a political stand," he said. "You can't use army officers to carry out political negotiations." MK Avraham Stern (National Religious Party) criticized politicians from all sides who involve IDF officers in political matters. He said Landau's statements "only

added oil to the fire of worrying reports that the IDF's motivation, standing and prestige - that were at the heart of the national consensus - have dropped.

"Anyone concerned about the future of [Israeli] society must speak with care," Stern added.

BAR-ILAN UNIVERSITY mourns the tragic death of **JUDITH K. HURWICH** and extends condolences to Her sister: **Belda Lindenbaum**, Past President of the American Friends of Bar-Ilan University Her husband: **Marcel** and the entire family.

Kehillat Yedidya Baka, Jerusalem We mourn the tragic loss of our friend, member, and supporter **JUDITH HURWICH** and extend condolences to her family.

Accent Software International Ltd. mourns the tragic loss of **JUDITH HURWICH** We extend our deepest condolences to Arielle and Zew Braun, Mordechai and Abby Kehat and all the members of the family.

The Sadie Rennert Women's Institute of Torah Studies We share in the grief and shock of her family at the tragic death of our friend and co-founder **JUDITH KAUFMAN HURWICH** whose love of life and learning was an inspiration to us all. Malka Bina, Educational Director Lili Weil, Chairwoman of the Board Members of the Board of Governors

Sanz Medical Center Laniado Hospital We mourn the passing of our friend and colleague **DORANNE WEBER** Founding President of the Netanya Friends of Laniado a true example of a "Woman of Valor" and extend sincere condolences to her children and family. International Board of Trustees Board of Directors - Israel Netanya Supporters of Laniado Hospital

Porush halts salvage dig in Modi'in area to check for graves

News agencies

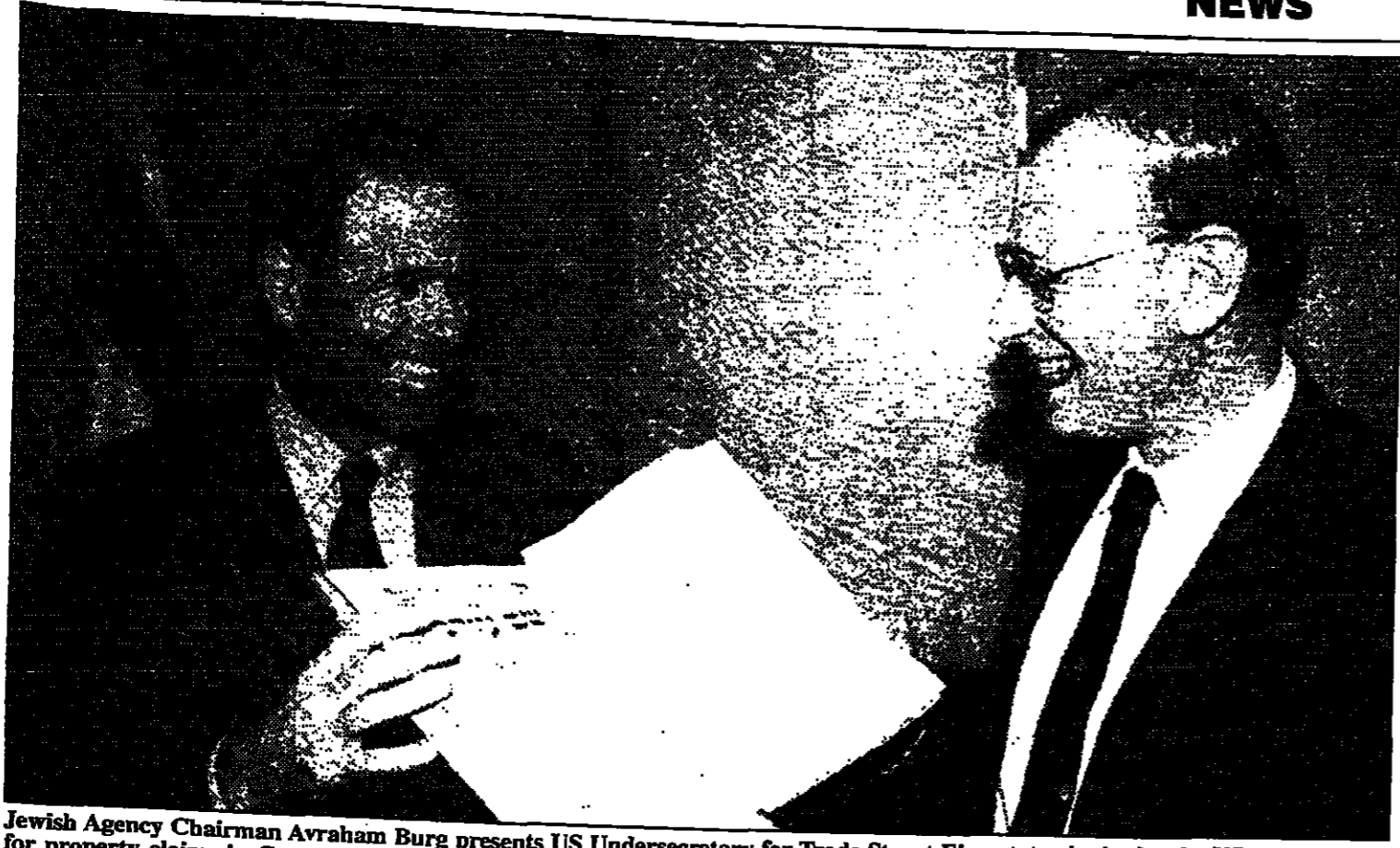
DEPUTY Housing Minister Meir Porush yesterday sent home archeologists who had been working on a salvage dig in the Modi'in area, saying he believed there were Jewish graves in the area that should not be disturbed. "Since the construction is financed by the Housing Ministry, we have instructed that this be checked with those who know how to preserve the graves of Israel," Porush told Israel Radio. "If there are Jewish graves, there is no reason why the grave of my grandfather's grandfather should be destroyed without checking if there is another way to develop the site." Archeologists said Porush's decision was worrisome.

"Once they stop the archeologists from their research, we lose our ability to study history, the origins of this country... It affects our culture, our knowledge of history, and the ability to live a normal life in this country," said Yoram Tsafir, former head of the archeology department at Hebrew University. Tsafir said he expected many digs and construction projects to be halted in the future because "in every place in Israel you will find bones." Yossi Levy, an archeologist with the Antiquities Authority, said it was the first time the Housing Ministry had halted a dig because of suspicion that graves were in the area.

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האנא מן האלטה



Jewish Agency Chairman Avraham Burg presents US Undersecretary for Trade Stuart Eizenstat, who is also the US special envoy for property claims in Central and Eastern Europe, with a book published in Warsaw in 1877 under the Hebrew title of 'Shem Olam'. The contents deal with much of the area which Eizenstat has traveled on his mission. (Ariel Jerozolimski)

Group demands legal action against parents of diphtheria victim

THE director of the National Council for the Child has demanded that the Health Ministry initiate action against the parents of a four-year-old haredi girl who died last week of diphtheria. The child was never vaccinated against the disease. Dr. Yitzhak Kadman, in a letter to ministry director-general Dr. Meir Oren, said that current laws did not obligate parents to have their youngsters immunized against childhood diseases. However, laws "do require parents to protect the welfare and health of their children. Whoever jeopardizes them faces a prison sentence," Kadman said. "Now, when parents intentionally refuse to get their children vaccinated and endanger their health and lives, is the time to enforce these laws," he said. No comment on Kadman's letter was available from either Oren or ministry spokesman Effie Lahav yesterday. The case involved the child of middle-aged American parents, who reportedly identify with Neturei Karta. The child was born in her

parents' home in Mea She'arim. She had not been registered with the municipal health authorities, was never taken to a family health center and was treated since babyhood with goat's milk by her mother, who believed in the power of "natural medicine." She died on Shabbat at Hadassah-University Hospital in Ein Kerem - the first victim of diphtheria in Israel since a Bnei Brak boy died of the contagious disease in 1988. The law requiring parents to have their children immunized was abolished in 1980, when smallpox was no longer regarded as a threat. Kadman said that although education is preferable to legislation, "when this doesn't succeed, there is no alternative but to punish violators. An example must be made of these parents," he said. Family health centers, in most cases, have the names and addresses of families whose children are not immunized, thus they can be located, he added.

In a meeting on Monday with Chief Rabbi Yisrael Meir Lau, Oren agreed that haredi families who refuse to take their children to municipal family health centers would be able to get vaccinations at Orthodox-sponsored medical-aid organizations, such as Yad Sarah, Ezra Le'Marpe and other groups. Oren said this would facilitate the ministry's aim of increasing the number of vaccinated children. He did not say, however, how proper vaccination procedures would be supervised. Lau pledged to "use his influence" to increase the immunization rate in the haredi community. However, that the more extreme religious groups do not recognize the chief rabbi's rulings. Various explanations have been given for the low vaccination rate in haredi communities. Some claim that extreme groups in the community are anti-Zionist and want nothing to do with the establishment. Others maintain that some rabbis advise against vaccination because they have heard of rare complications and that it "could be dangerous."

JUDY SIEGEL

Eizenstat: Probe will account for Jewish assets

HUNGARY, the Czech Republic and Estonia are the eastern European countries which have done the most to return stolen Holocaust-era assets to Jewish communities, US Under Secretary for Trade Stuart Eizenstat said at a media briefing in Jerusalem yesterday. He also noted that Poland, which has legislation pending, is the country "that has done the least." Eizenstat also confirmed that Paul Volcker, former chairman of the US Federal Reserve Board, will head an independent commission to look into the assets of Holocaust victims which remain in Swiss banks. Eizenstat, who is the US government's special envoy for property claims in Central and Eastern Europe, said he is optimistic that the independent commission, which is to investigate several issues, will be able to resolve many of the lingering uncertainties surrounding Holocaust era looted assets and unclaimed Jewish deposits in Swiss banks. "We're very encouraged that at last we're going to have a full accounting," he said. Prior to the briefing, Eizenstat,

GREER FAY CASHMAN

accompanied by US Ambassador Martin Indyk, met with Jewish Agency Chairman Avraham Burg and representatives of the World Jewish Restitution Organization to update them on restitution developments in Switzerland and Eastern Europe. Over the past year, Eizenstat has travelled to 13 countries in connection with claims for properties confiscated or stolen from Jews by the Nazis and their sympathizers. He has yet to visit Russia. In some countries, he said, much of the community property will generate income to help Jewish communities restore themselves. To see synagogues and minyanim reborn and kosher restaurants and Jewish community centers opened, he said, was inspirational. "Anyone who ever gets jaded," he recommended, "ought to go to some of these eastern European countries and see these communities rebuilding their lives." Eizenstat said he was particularly concerned about the needs of destitute Holocaust survivors who were trapped behind the Iron

Curtain after World War II and never received any restitution, emphasizing that "seven years after the fall of Communism, these people still get nothing." Neither Burg nor Eizenstat could hazard a guess as to the total worth of unreturned Jewish assets. The worth per se is not what's important, Burg stressed. "What we're talking about is a principle," he said. "We're not into the price business. What we want is that not one piece of property which belonged to a Jew will remain in non-Jewish hands." While East European governments have by and large committed themselves to some form of restitution, claims by the WJRO and other bodies can at best be met on only a partial basis. Burg quoted a Polish official who had told him: "If we answer all your demands, it will come to at least 40 percent of the property in Poland." The independent committee chaired by Volcker is scheduled to meet in New York on August 14, at which time criteria will be established for the manner in which applications can be made for unclaimed Jewish assets in Swiss banks, Burg said.

Prison-break inquiry continues

THE committee investigating the escape of the two security prisoners from Ashmoret Prison on Sunday is expected to make recommendations about the conditions at all high-security prisons. Islamic Jihad members Tawfik Zadan and Ghassan Awi escaped from Ashmoret by burrowing an 11-meter-long tunnel under their cell over a period of months. The committee, formed by Internal Security Minister Avigdor Kahalani, is now probing any possible security breaches at other

RAINE MARCUS

prisons. "The preliminary findings are most severe," Kahalani said yesterday. "The fact that they drilled loudly for days and even weeks unnoticed - or even unheard - is even more severe." The two tunneled with a drilling hammer, a large and very noisy instrument, which had been used at the prison during renovations. Kahalani also said he was

shocked that there were no nightly examinations by wardens in prisoners' cells. The committee is expected to recommend regular searches and examinations, especially in the cells of security prisoners. It is not yet known whether Prisons Service Commissioner Arye Bibi will be punished. After the escape he said that if the committee found him responsible in any way he would reach his own conclusions, even if it meant his resignation.

Ministry: Police acted properly in J'lem shooting

THERE are no grounds for indicting the border policemen who shot an unarmed Arab hotel worker in Jerusalem two months ago, because the death resulted from the policemen's mistaken belief that the victim was a terrorist, the Justice Ministry's division for investigating policemen ruled this week. The incident occurred at about 2:30 a.m. on June 6, while an undercover border police team was at work in the Wadi Kadoun neighborhood of Jerusalem. They parked their car near the Shweikeh house, and the three Shweikeh

brothers - all unarmed - came out to investigate. The family said later that their car had been broken into the night before, and when they saw what appeared to be a suspicious vehicle near their house, they were afraid the thieves had returned. According to the policemen, however, one of the men made a motion as if he were pulling out a gun and, afraid the three were terrorists, they opened fire. Daoud Shweikeh was killed, and his brother Mohammed was injured.

After investigating the incident, the ministry's division for investigating policemen ruled that the border police were not to blame. "What happened was a miserable and tragic combination of events, in which the victims thought they were facing car thieves, while the policemen thought they were facing terrorists," wrote division head Eran Shendar. "Given the circumstances, I came to the conclusion that the policeman who fired was not guilty of any criminal offense."

B'Tselem slammed the decision, charging that of 13 cases in which Arabs were killed by undercover Border Police units, the division has already closed 12. A decision has not yet been issued on the 13th, the organization said. "B'Tselem believes that the message sent to the security services by the decision to close this case is that the hasty and irresponsible use of weapons against Palestinians... is not an unacceptable act for which they will be required to answer," the organization said in a press statement.

EVELYN GORDON

Immigration down slightly

SOME 33,000 new immigrants arrived in Israel in the first half of 1996, the Central Bureau of Statistics reported this week. The figure is down 4.4 percent on the total for the second half of last year (34,500). The number coming from the FSU is down 6.5% to 27,900. From the Americas and Oceania, 2,100 arrived - a 24% increase - with 1,700 coming from Europe, 900 from Africa and 450 from Asia. Of the total immigration 19% were aged 14 or under, 68% were between 15 and 64, with 12% being 65 or over. David Harris

Amir asks for his appeal to be reheard

YIGAL Amir yesterday asked the Supreme Court that an expanded panel of justices rehear his appeal against his conviction of murdering prime minister Yitzhak Rabin. The court had upheld Amir's conviction in a unanimous verdict issued Sunday. In the request, attorney Gabi Shahar argued that it was not sufficiently proven that the bullets taken from Rabin's body were the same as those later identified by ballistics tests as having been fired from Amir's gun. This claim was also raised in the original appeal and was unanimously rejected by three justices. Shahar also argued that the court had erred in ignoring a second set of ballistic tests showing that the bullets which killed Rabin had been fired from very close range, and in one case, with the gun actually touching his jacket. Amir's lawyers had charged during the original appeal that there was no evidence to show that Amir had ever got this close to Rabin, but the justices ruled that this argument became irrelevant once the bullets were proven to have come from Amir's gun. Evelyn Gordon



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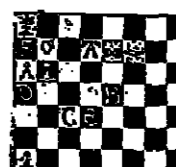
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Rebels attack central Grozny

SEPARATIST rebels, led by the mastermind of a bloody hostage-taking raid last year, stormed into the Chechen capital Grozny yesterday and fought Russian forces in their biggest offensive in months.

The rebels, who shot down four helicopter gunships and killed and wounded scores of Russian servicemen, also attacked two other towns in coordinated attacks against the troops they regard as an occupying force.

A rebel leader said the raids were intended to force Moscow back to the negotiating table, but a senior Russian official described the rebel leaders as "international terrorists" and said talks could now be ruled out.

Hundreds of the rebels launched the dawn attack on the city center and seized several key points as Russian forces backed by jets and helicopter gunships tried to stop them.

Rebel commanders said the attack, the biggest by their forces since a peace agreement in May, was intended to upstage President Boris Yeltsin's inauguration in Moscow on Friday for a second term.

Heavy fighting raged as up to 400 heavily armed rebels launched two drives in to the

News agencies
GROZNY

Chechen capital, taking control of several main roads and intersections in the center, Russian military officials said.

Rebel forces were backed by several tanks and armored personnel carriers.

Russian fighter jets and helicopter gunships bombed areas held by the Chechens and frequent explosions shook the shattered city center. Helicopter gunships fired hundreds of rockets at buildings where rebel fighters were sheltering.

The main fighting was near government buildings in the city center and around the railway station and the factory district. Rebel snipers kept main streets under constant fire.

The rebels claimed their forces had shot down two Russian helicopters, but there was no way to confirm the report. The Interfax news agency reported that one Russian helicopter had been damaged.

Rebel forces also attacked government buildings yesterday in the towns of Argun and Gudermes.

Deputy Interior Minister Pavel Golubets said 13 Russian servicemen had been killed and 45

wounded.

Many of the rebel attacks appeared aimed at facilities of the Moscow-backed Chechen government, which complained that Russian troops were slow to intervene.

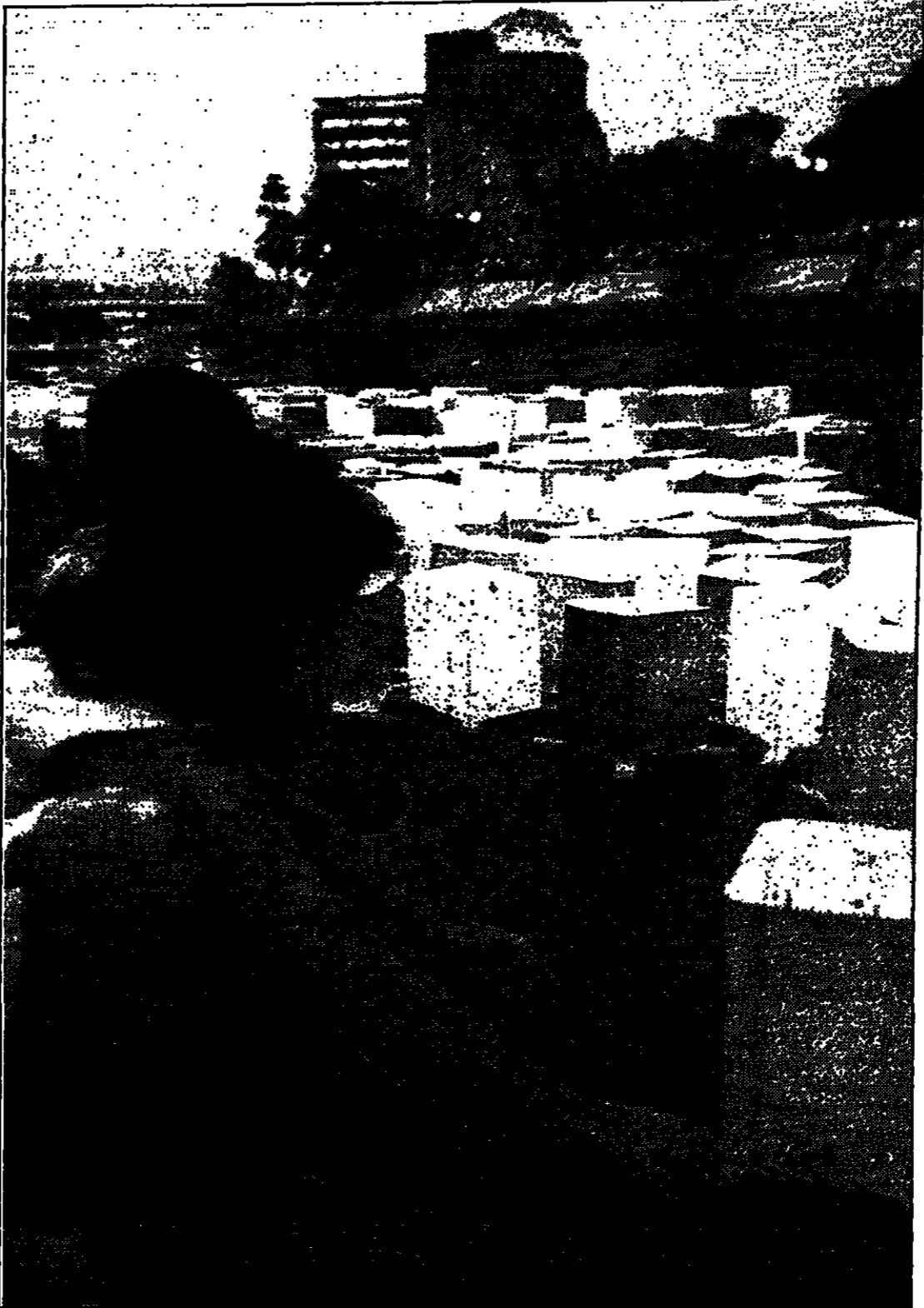
Ahmed Zakayev, a Chechen rebel representative to peace talks, said rebel leaders had told him the attack was organized by extremists who oppose a peaceful settlement. He said peace efforts would continue.

Top Russian negotiators arrived in Chechnya last week to discuss ways to end the hostilities, but so far have failed to contact rebel leaders.

Peace agreements calling for a cease-fire, troop withdrawal and rebel disarmament were signed between Moscow and the rebels in May and June, but have remained little more than paper.

Attempts to renew talks have failed, especially since Russian forces launched an offensive after Yeltsin's re-election July 3. The two sides have blamed each other for the breakdown.

Yeltsin and his prime minister, Viktor Chernomyrdin, discussed the situation in Chechnya during a meeting yesterday. It was Yeltsin's first day back at work at the Kremlin since he left on July 15.



Children float paper lanterns in Hiroshima's Motoyasu River to commemorate the 51st anniversary of the bombing of the city. In the background is the symbolic skeleton A-bomb dome. (Reuters)

Japan remembers Hiroshima

HIROSHIMA (Reuters) - Japan marked the anniversary of the Hiroshima bombing yesterday with prayers for the victims of the world's first nuclear attack 51 years ago and fresh vows to fight the spread of atomic weaponry.

In what has become a yearly ritual, citizens of Hiroshima and survivors of the nuclear blast joined a ceremony commemorating the exact moment when the bomb was dropped on the morning of August 6, 1945.

After dark, Hiroshima citizens floated some 10,000 paper lanterns down rivers running through the city to console the souls of those who died.

Prime Minister Ryutaro Hashimoto told the gathering he would keep pushing for the adoption of a global treaty banning nuclear tests.

"Our current priority is to seek

early agreement on the Comprehensive Test Ban Treaty (CTBT)," Hashimoto said.

"I will make utmost efforts as the prime minister of the only nation that experienced the atomic bomb," he said.

More than 50,000 residents and bomb survivors gathered for the service in Hiroshima, in southern Japan, 10,000 fewer than those attended the 50th anniversary commemoration last year.

City officials said that half a century after the world's first use of atomic weaponry reduced Hiroshima to ruins and left a legacy of radiation-linked disease, citizens were less inclined to dwell on the past.

"The mood here is that Hiroshima is turning away from the past to the future," said Noriko Nakamura, spokeswoman for the southwestern city.

"Humanity and nuclear arms cannot co-exist," declared Hiroshima Mayor Takashi Hiraoka.

"We hope the nuclear experiments which have been conducted over 2,000 times will be ended with the agreement of the CTBT," Hiraoka said in his peace declaration.

In Geneva, UN-sponsored talks bringing together 61 nations are trying to complete the CTBT text by consensus before it is sent to UN headquarters in New York, where it will be opened for signature in September.

In the past year, Hiroshima has expressed indignation against France and China for conducting nuclear tests when the international community was working to ban them, the latest Chinese test coming only about a week before the anniversary.

Cash pours in to stop twin abortion

LONDON (AP) - Offers to a 16-week pregnant woman to stop her aborting one twin because she is poor have soared to more than 45,000 pounds (NIS 254,000) - stirring a national controversy over Britain's liberal abortion laws.

The leader of a pro-abortion doctors' group denounced what she called the "auctioning" of the healthy fetus, and accused anti-abortion groups of using the case to whip up support.

Authorities at Queen Charlotte Hospital in west London said they could not tell the patient, described by the hospital as a 28-year-old single mother who already has one child, about the money offers because it would break patients' confidentiality. It was unclear how the woman could not know of the offers anyway.

Abortion is available virtually on demand in Britain. But this case is highly unusual because it involves aborting a healthy fetus in a naturally conceived multiple pregnancy.

Forced labor ups Burma GDP, says US

BANGKOK (AP) - Forced labor accounts for approximately 3 percent of Burma's gross domestic product, according to an economic report by the US Embassy in Rangoon.

The annual report, received in Bangkok yesterday, paints a bleak picture of the economy, with soaring deficits, declining foreign investment, rampant military spending and rising debt and reliance on illicit drug profits.

"The state has employed growing amounts of unpaid labor, apparently worth about 3 percent of GDP in fiscal year 94/95," to build infrastructure, the report said.

Burma has been criticized by human rights groups and international labor organizations for using forced labor on public works. The government says citizens willingly working without pay is Burmese tradition.

Journalists and other outsiders who have interviewed workers dispute the government's claim, describing how people are rounded up to work for little or no pay. Those unable to work are sometimes fined.

The United Nations International Labor Organization in May agreed to launch a rare grievance procedure against Burma. The US State Department human rights report this year said hundreds of thousands of Burmese are forced into work.

A US Embassy spokesman said some of the numbers were "educated guesses" because the government's figures were either incomplete or distorted.

Vigilante drug violence in S.Africa

CAPE TOWN (AP) - The leader of a vigilante group that gunned down a drug lord was wounded and in hiding yesterday, but determined to continue his campaign against gangs.

"The bloodletting was actually very helpful," Muhammed Ali "Phantom" Parker told the Cape Times from his hideout. "In my mind it strengthens our cause. The war will be intensified."

Parker was shot in the chest Sunday night when he led about 200 people in a protest outside a house owned by the twin leaders of the notorious Hard Living Kids, Rashied and Rashaad Staggie.

Shots were fired on the protesters from the house, and the crowd was angry by the time Rashaad Staggie drove up. Masked members of Parker's People Against Gangsterism and Drugs shot Staggie repeatedly and set him alight with a petrol bomb, killing him.

People Against Gangsterism and Drugs, or Paogad, had held similar demonstrations in recent weeks in which they arrived at the homes of suspected drug dealers shouting threats and in one instance setting fire to a van. The group is linked to the Gatedown mosque, whose conservative cleric has called for a tough stand on crime.

At his brother's funeral Monday, Rashied Staggie dared any Moslem to try and kill him. With about 3,000 followers, Staggie commands Cape Town's second largest gang, and police fear war will break out between Paogad members and young criminals.

Scores of gangs deal in drugs, prostitution and stolen goods in Cape Town's impoverished, largely Moslem neighborhoods.

Meanwhile, robbers grabbed 40 million rand (about NIS 30m.) from the offices of a Durban security firm early yesterday in "what we believe to be the biggest ever armed robbery in South Africa," said police spokesman Vishnu

Dole looks for boost in California

SAN FRANCISCO (Reuters) - Presumed presidential nominee Bob Dole will be looking to the Republican Party's national convention in San Diego next week to revive his fortunes in vote-rich California.

California accounts for 54 electoral college votes in the presidential race, more than any other state and 20 percent of the total needed to capture the White House.

But a *Los Angeles Times* poll last month showed Dole lagging behind President Bill Clinton in California by 27 percentage points, an even bigger deficit than in the national polls, which show Clinton with a lead of up to 20 points.

The fact the Republican National Convention is being held in California will give the former Senate majority leader an opportunity "to get back in the game out here," Dan Schnur, a political analyst and former aide to California's Republican Governor Pete Wilson, said.

"Bob Dole will get more media attention that week (in California) than at any other point in the campaign. This is his chance to sell Californians on a message they haven't had the chance to hear," he said.

If Dole's message resonates with Californians, then "the state is back in play," Schnur said. But if Dole fails to win over California voters, his campaign could at some point think about focusing its efforts in other states.

"At a certain point, you have to decide where to deploy your resources," he said.

Whether the convention lifts Dole's fortunes in California depends on what image he conveys there, political analysts say. A divisive convention, marked by bitter infighting over issues such as abortion, could hurt his chances, they say.

Dole also hopes for a boost from his plan to cut taxes by more than \$500 billion over six years, with a 15 percent reduction in income tax rates over three years.

As Dole's message of tax cuts, more opportunities, smaller government and stronger, safer families begins to have an impact, "you will see the numbers increase in the polls," Dole campaign spokeswoman Christina Martin said from Washington, adding that Dole "intends to fight hard for California."

After the convention, the cash-strapped Dole campaign will receive a boost from \$74 million in public campaign funds.

Conventional political wisdom holds that Clinton must take California to win re-election, while Dole could conceivably win enough other states to carry him to the White House without winning in California.

"We are the foundation of Bill Clinton's electoral equation. We are it for Clinton. Clinton cannot win without California, but it's also very difficult for a Republican to win without contesting California," said Sherry Bebitch Jeffe, a political analyst at California's Claremont Graduate School.

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Euro bourses pause, dollar steady

WORLD MARKET ROUNDUP

LONDON (Reuters) - European stock markets paused for breath yesterday after recent gains, although weakness in the franc prompted the Paris bourse to slip more than shares in other key centers.

The London stock exchange ended with little net change and Frankfurt was up a little. Wall Street, which often sets the European trend, followed Monday's small loss with a drop of around a third of a percent while European markets were open.

Market analysts said investors were likely to continue cashing in profits for now after US blue-chip shares advanced 4.5 percent last week as fears of higher interest rates ebbed.

"Primarily the market is consolidating from sharp gains last week and I think it will give back a little more," said Stanley Nabi, vice chairman at Wood Struthers & Whitrop in New York.

On a currency market enjoying a more of a summer lull after Monday's flurry of activity in the Swiss franc, the dollar regained some of its recent losses but was below its highs in the afternoon. This summer trading exaggerated some moves.

Currency traders said a stronger-than-expected 1.2% rise in June German industry orders, after news that seasonally adjusted jobless figures fell 5,000 in July, cooled speculation on lower German interest rates and capped the dollar's rise.

Traders turned their attention to this week's US Treasury quarterly refunding auctions, starting with \$19 billion of three-year notes later yesterday.

Dealers said demand at the auctions could be disappointing after last week's bond market rally and Japanese interest was likely to be poor, which could unsettle the dollar.

Dow closes up 22 points

WALL STREET REPORT

NEW YORK (AP) - Stocks turned mostly higher yesterday, but held near opening levels for the second straight session as investors found few incentives to bid the market higher after last week's sharp advance.

On Wall Street, the Dow Jones industrial average added 21.83 points to close at 5,696.11, having recovered from a morning deficit of 26 points as interest rates held firm in the bond market despite a flood of new government debt securities.

Broader market measures also turned higher after spending much of the session in negative territory. But returning to the cautious trend that preceded last week's rally, the gains were largely concentrated on blue-chip and other more established companies.

In the four sessions before Monday's 5 1/2-point dip, the Dow had charged 245 points higher as July's market-jolting worries about inflation and corporate profits continued to evaporate.

NYSE volume totaled 347.23 million shares as of 4 p.m., vs. 303.77 million in Monday's sluggish session.

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